

Top Secret 217

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NATIONAL INTELLIGENCE DAILY CABLE

Friday April 8, 1977

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State Dept. review completed

DIA review(s) completed.

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NATIONAL SECURITY INFORMATION
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National Intelligence Daily Cable for Friday, April 8, 1977.

The NID Cable is for the purpose of informing senior US officials.

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ISRAEL: Rabin's Resignation

25X1 [] Israeli Prime Minister Rabin's resignation, following press disclosures that he had maintained illegal bank accounts in the US, seems certain to hurt the ruling Labor Alignment's prospects at the polls next month. Because of its reformist image, the new moderate Democratic Movement for Change led by Yigal Yadin seems likely to gain the most from Labor's latest misfortune.

25X1 [] Ironically, the Alignment, which has been rocked by corruption scandals and torn by dissension for months, was just beginning to rebound from its earlier poor standing in public opinion polls. The most recent surveys showed the Labor Party and its left-wing ally, Mapam, moving ahead of both the hard-line Likud opposition bloc and Yadin's new group.

25X1 [] At this point, it is unclear who will succeed Rabin as head of the present caretaker government or whether in fact he can legally step down. Israeli law in this situation is not clear, but Minister of Justice Zadok and other key Labor cabinet members and party leaders may decide the matter.

25X1 [] More important is the question of who will replace Rabin as head of the Labor Party list for the election. Under Israeli law, the party apparently must decide by next Tuesday at the latest.

25X1 [] The top spot would seem to fall by default to Defense Minister Peres, who Rabin defeated by a very narrow margin in the election held at the Labor Party convention in late February. Although the party may fall into line quickly behind Peres to avoid disruptive wrangling that would further damage Labor's prospects, there is a possibility that some of Peres long-standing enemies could make some effort to promote a compromise candidate. Such a move, especially if successful, would almost certainly seriously split Labor.

25X1 [] If Peres does succeed Rabin, on the other hand, Mapam might decide to reverse its decision to pursue its electoral alliance with Labor. Mapam had threatened earlier to run its own list if Peres were chosen over Rabin at the Labor Party convention. Party leaders have called an urgent meeting for tomorrow to consider what actions Mapam must now take.

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ZAIRE: Situation Report

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[] According to press reports, a Moroccan infantry battalion is scheduled to arrive in Kinshasa today to help President Mobutu deal with the invasion by Katangans, and the Chinese have decided to provide materiel assistance to Zaire. In Shaba, the military situation has changed very little in the past several days.

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[] The Katangans apparently remain in the area of Kayembe; Zairian military units nearby report scattered fighting. The invaders probably are still preparing for an attack on Kolwezi.

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[] The Zairian command in Shaba has organized the defense of Kolwezi around nearly 1,200 troops augmented by armored cars and a few combat aircraft. Most Zairian troops are near Kolwezi, but some have been positioned at outlying points along roads leading into the town and at major junctions to the east. General Singha, who was appointed commander of the troops in Kolwezi last week, has moved the forward command post out of Kolwezi to the west.

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[] Although he has not been significantly tested in combat, General Singha appears to be performing more effectively than his predecessor. According to the US embassy in Kinshasa, Singha apparently has now established communications links with his outlying commands which may solve one of the problems that have hampered Zairian commanders over the past month. He also reportedly is visiting his troops daily and is having stragglers and deserters rounded up and interned outside Kolwezi. Both measures are likely to improve morale.

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[] The situation in Kolwezi itself is tense, according to the US consul in Lubumbashi, who visited the town early this week. The French ordered their citizens to evacuate and then reversed themselves, probably because their departure would have triggered a mass evacuation. Mining operations are becoming increasingly difficult because the Zairian army has commandeered many of the mining company's trucks and is using the company's fuel supplies.

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[] Most of the non-Zairian employees seem prepared to remain, although arrangements are being made to evacuate dependents if necessary. Mining company officials are skeptical that they can continue production after Kolwezi falls, which they view as probable.

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[] The French are gradually increasing their role in the conflict; advisers dispatched to Zaire last weekend are to arrive in Shaba today and will be attached to General Singha's staff. Some French advisers are to begin training Zairian personnel in the use of armored cars and mortars in the next few days.

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[] China is backing up its support of the Mobutu government with materiel assistance. Yesterday Kinshasa announced that 30 tons of Chinese equipment--probably arms, ammunition, other military goods and medical supplies--would soon arrive by air. More equipment is to arrive on a ship already sailing for Zaire.

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[] Peking continues to accuse the USSR of engineering the invasion of Shaba with Cuban help. Chinese criticism reached a high point on Wednesday, when Vice Premier Li Hsien-nien at a banquet for the visiting President of Mauritania accused Moscow of initiating a new round of political and military aggression in Africa. Soviet and East European diplomats walked out of the affair. [] 25X1

LEBANON: Situation Report

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[] *Fighting yesterday in southern Lebanon was reported to be intense, as Palestian and leftist forces continued their counterattack against the Christians. The Palestinians captured the town of Khiyam, which had fallen to the Christians in December, and continued to press the Christians in Marj Uyun.* [] 25X1

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[] Christian setbacks prompted leaders of the Christian Front yesterday to issue a collective appeal for leaders of the Arab countries to intervene in the fighting. The statement hinted that if the Arab states failed to act, the Christians would seek other aid, possibly from Israel, to avert further losses.

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LIBYA: Execution of Officers

[redacted] //Some 20 Libyan military officers convicted of participating in a coup attempt against President Qadhafi in 1975 reportedly were executed on April 2. The government has not confirmed the executions, but rumors about them have

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generated a great deal of anger and apprehension--particularly among Qadhafi's detractors in the military and in the middle class.

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//Emotion over reports of the executions is running especially high among certain elements in Benghazi, the center of the Cyrenaica region, where opposition to the regime is strongest.

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Tripoli radio announced yesterday that five civilians, at least one of whom was Egyptian, were publicly executed in Benghazi yesterday following their conviction and sentencing by the "Peoples Court" for sabotage and burning a church. These executions may have been intended to defuse tension in the area. Egyptians are almost as unpopular in Cyrenaica as Qadhafi's regime; moreover, the "Peoples Court" is made up of popularly elected, local citizens who presumably have significant sway over public opinion.

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//Qadhafi has had a reputation for leniency toward his opponents; until now, there have been no executions and very little officially sanctioned violence under his rule. There has been growing concern, however, that Qadhafi's latest steps to legitimize his one-man rule and reduce the power of his colleagues on the recently abolished Revolutionary Command Council would lead to greater repression.//

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25X1 [redacted] //The officers were part of a conspiracy led by Umar Muhayshi, one of Qadhafi's oldest friends. Muhayshi escaped after the abortive coup first to Tunisia and then to Egypt and has been collaborating with the Egyptians in a propaganda campaign against Qadhafi ever since. Qadhafi has been badly stung by many of Muhayshi's allegations and frustrated by his inability to silence him. In addition, the executions may serve as a warning to Muhayshi, who recently resumed radio broadcasts denouncing Qadhafi, that his relatives and followers in Libya could be in jeopardy if such broadcasts continue.//

25X1 [redacted] //It is too early to judge whether Qadhafi's reported resort to violence will better serve him or his opponents. Having narrowly escaped several assassination attempts over the past year, the Libyan leader probably believes the need to intimidate his opponents at home and in Egypt outweighs the adverse popular reaction to unaccustomed violence. Most Libyan military officers, already badly shaken by Qadhafi's moves, are likely to be more concerned--at least initially--about their own survival than about taking action against the regime.//

25X1 [redacted] //Qadhafi may be in no immediate danger, but his image as a relatively benign leader dedicated to Libya's interests before his own is rapidly dissipating. His turn toward the USSR, his disregard for local religious leaders, and his resort to tribal politics have offended even some of his staunchest supporters and may have begun to undermine his popularity among Libya's largely rural population.// [redacted]

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SOUTH AFRICA - ISRAEL: Boats

25X1 [redacted] //South Africa will take delivery next month of the first of six Israeli-built Reshef-class patrol boats it has ordered. [redacted]

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[redacted] The Israelis reportedly are training 100 South Africans--enough for two crews--to operate the 250-ton patrol boats, which are designed to carry naval guns and up to eight Gabriel surface-to-surface missiles.//

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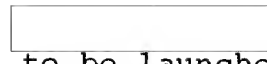


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//At least one crew is said to have been conducting at-sea training on the first Reshef, which apparently will be escorted from Gibraltar to the Cape by a South African naval replenishment ship. The voyage should take about three weeks.//

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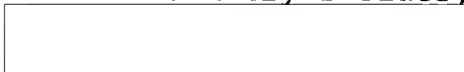
//A second Israeli-built Reshef reportedly is due to be launched this summer. South Africa is building at least three of the six under license in Durban, but they probably will not be ready for launching until next year.//

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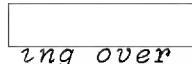
//The six boats are part of South Africa's effort to modernize and improve its badly outdated navy. The program includes two destroyer escorts and two submarines still on order from France. As these new ships are made operational, many of the country's older, British-built ships will be phased out.

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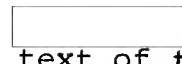
EAST GERMANY: Air Traffic Regulations

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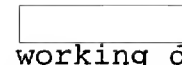
A new East German regulation governing aircraft flying over the country's territory could be designed to apply to Allied military flights to West Berlin, but the East Germans appear unlikely to attempt to enforce the regulation at this time.

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The East German Foreign Ministry recently sent the text of the new regulation, which became effective in February, to a number of Western embassies in East Berlin. The covering note asked the embassies to inform their governments of provisions regulating official and civilian aircraft with "militarily important freight" flying over the "sovereign territory" of East Germany.

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Users of East German airspace must now request 10 working days in advance a permit to fly over the country, except when the flight is authorized by "an international treaty." This vague reference, however, may be intended to avoid raising the issue of Allied use of the three air corridors to West Berlin. Alternatively, this wording may refer to agreements between East Germany and its allies.

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[] The new regulation also bans photography, surveying, and other forms of aerial measurement in East German airspace. This provision may reflect East German as well as Soviet sensitivity to Allied reconnaissance flights in the air corridors, although neither side has protested this activity.

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[] We do not know why the East Germans decided to call attention to the regulation six weeks after its publication; they have not interfered with Allied air traffic since the regulation became effective. The Soviets probably do not wish to heat up the Berlin issue now; the Soviet ambassador in East Berlin recently told his French counterpart that the USSR would like to discontinue public polemics over Berlin.

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[] The East Germans presumably believe the regulation bolsters their contention that Allied rights in Berlin should be temporary and negotiable. The new law complements other East German attempts since the beginning of the year to deemphasize the special status of East Berlin and to foster the image of a sovereign, independent East German state. []

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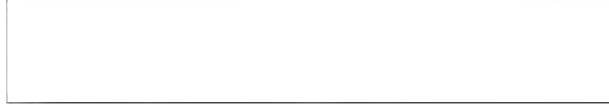
ITALY: Political Maneuvering

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[] Italian Communist Party leader Berlinguer has apparently decided that it is time to raise the price for further cooperation with Prime Minister Andreotti's Christian Democratic minority government. Intense political maneuvering is likely after Easter, and Andreotti will probably have to grant the Communists a more formal consultative role in policymaking in order to keep his government afloat.

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[] Since August, the Communists have provided the crucial margin for Andreotti's survival by abstaining in key parliamentary votes. Berlinguer has periodically probed for signs of Christian Democratic willingness to move toward closer collaboration through more formal and overt consultations with the Communists. The Christian Democrats have repeatedly rebuffed Berlinguer, but they have cushioned the blow with public expressions of appreciation for the Communists' "responsible" attitude toward the government. Berlinguer has always stopped short of forcing the issue.



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[REDACTED] Now the Communist leader is taking a more insistent tone. His tougher line doubtless results from a concern that cooperation with Andreotti is beginning to damage the party's reputation with the key components of its constituency--the working class and young voters.

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[REDACTED] Writing in the party daily last weekend, Berlinguer asserted that the Andreotti formula had served a positive function but is now "worn out." While reiterating the party's desire to avoid bringing down the government, he argued that a comprehensive accord among the parties that keep Andreotti in office is necessary to solve the country's problems.

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[REDACTED] That theme had been spelled out in greater detail by the Communist directorate in a communique issued last week. The leadership called for an agreement on a wide range of topics, including foreign and economic policies, the maintenance of public order, and university reform. Through such an accord, the Communists hope to be able to move from abstention in parliament to participation in a majority supporting the government.

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[REDACTED] Such a step would be widely viewed as taking the Communists closer toward cabinet status. For just that reason, the Christian Democrats--whose election campaign last summer centered on a pledge to keep the Communists out of government--continue to resist the idea of including the Communists in a parliamentary majority.

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[REDACTED] Given the pressures in each party against closer collaboration, any compromise will have to be sufficiently ambiguous to permit the Christian Democrats and Communists to interpret it publicly according to their respective political needs. The Christian Democrats must be able to claim that the Communists have not gotten a toe hold in the national government; the Communists must be able to argue that the party's continued cooperation with the government is, at the minimum, producing tangible rewards for Communist supporters.

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[REDACTED] Despite the obvious difficulties, such a compromise does seem within reach. The Christian Democrats--even as they reiterate their refusal to include the Communists in a parliamentary majority--are showing a greater willingness to broaden

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[redacted]

the area of formal agreement between themselves and Berlinguer's party. Christian Democratic Party president Moro, for example, has with characteristic vagueness floated the notion of "programmatic convergences" among the various parties.

25X1 [redacted] Moreover, the most recent gathering of the Christian Democratic leadership--alert to the pressures building up on Andreotti and reluctant to see him fall--revealed broad support for some kind of limited but formal program agreement involving the Communists and other major parties.

25X1 [redacted] The Communists, moreover, are probably prepared to settle for something less than what they have demanded publicly. According to a senior Communist economic official, the party would be satisfied with a formal agreement encompassing six or seven areas of legislation. The Communists would also want some guarantee that the legislation would be implemented, perhaps through a cabinet shuffle bringing in some technocrats in whom the left has confidence. Andreotti has publicly declared his openness to such a change.

25X1 [redacted] Thus, a compromise seems to be shaping up that would fall short of what the Communists want but which would nevertheless give them a more formal role in shaping some government policies. [redacted]

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CHINA: Party Congress

25X1 [redacted] *The Chinese are planning to convene a national party congress.* [redacted]

[redacted] *The meeting will name a new Central Committee and Politburo, ratify Hua Kuo-feng as party chairman, and formalize the purge of the four leftists.*

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25X1 [redacted] It will take at least until June to select delegates from across the country. //The party is now examining the credentials of many party members suspected of gaining "illegal" entry into the party through the efforts of the four disgraced leftists.// The decision to move ahead with a party congress was apparently made at last month's major leadership meeting in Peking.

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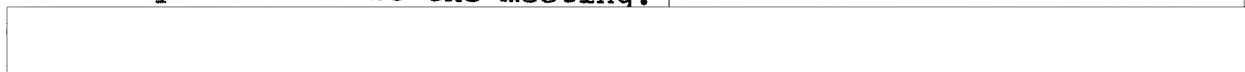
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 If no announcement is made before the congress on the status of Teng Hsiao-ping, that issue will probably be formally resolved at the meeting. 

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